

BEFORE  
THE PUBLIC SERVICE COMMISSION OF  
SOUTH CAROLINA  
DOCKET NO. 2001-371-C - ORDER NO. 2001-932  
SEPTEMBER 12, 2001

IN RE: Application of KMC Telecom III Inc. for	)	ORDER APPROVING
Approval of Alternative and Flexible	)	ALTERNATIVE AND
Regulation.	)	FLEXIBLE
	)	REGULATION

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Application of KMC Telecom III Inc. (KMC or the Company) for approval of alternative regulation for its interexchange business type services and flexible regulation for its local exchange services. The Company seeks a relaxed form of regulation of its interexchange business service, consumer card service, operator service, and private line service offerings in keeping with the policy and procedures set out in Commission Order Nos. 95-1734 and 96-55 in Docket No. 95-661-C. Specifically, the Company requests that certain of its business type tariff filings not be required to indicate maximum rates and that such tariff filings are presumed valid upon filing, subject to the Commission's right within seven (7) days to institute an investigation of the tariff filing. Further KMC requests that the Commission adopt a rate structure incorporating maximum rate levels for its local exchange service offerings with the flexibility for adjustment below the maximum rate levels in keeping with the procedures established for flexible regulation found in Order No. 98-165 in Docket No. 97-467-C. KMC requests that its local exchange tariff filings be presumed valid upon filing, subject to the

Commission's right within thirty (30) days to institute an investigation of the tariff filing, in which case such tariff filings would be suspended pending further order of the Commission; and that any tariff filings will be subject to the same monitoring process as similarly situated competitive local exchange carriers.

Pursuant to the instructions of the Commission's Executive Director, a Notice of Filing was submitted to the Commission's subscription service which described the relief sought by KMG. No Protests or Petitions to Intervene were filed in the case. Accordingly, we will dispose of the matter in summary fashion.

Both alternative and flexible regulation have been approved by this Commission in the past for a variety of interexchange and local carriers, due to the perceived ability to enhance competition in those markets. Accordingly, we approve alternative and flexible regulation for KMC at this time as filed by the Company.

This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:

  
Chairman

ATTEST:

  
Executive Director

(SEAL)